

## TIMBER TAX

Ms. LINCOLN: I am concerned that this recovery package does not extend the timber tax provisions that were enacted in sections 15311 and 15312 of the Farm Bill and which are scheduled to expire in May, 2009. I and others have long advocated the enactment of provisions that would permanently reform the tax rules for timber income. Given budget constraints, as part of the Farm Bill, we established the new rules for one year as a first step. It is important that the provisions not be allowed to lapse. Otherwise, our good work could be undone, because we will revert to the same situation as before, in which companies that harvest timber are subject to higher tax rates simply because of their form of business organization.

Mr. BAUCUS: Senator Lincoln, I have worked with you for several years on this issue now, and you have persuaded me that the timber tax provisions are fair and are important. That is why I supported including the provisions in the Farm Bill. I look forward to working with you this year to pass a timely extension.